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**Testimony before the District of Columbia Council
Committee on Human Services
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Child and Family Services Agency FY 2013 Budget Hearing

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Good morning, Chairman Graham and members of the Committee on Human Services. I am Judith Sandalow, the executive director of Children's Law Center (CLC),¹ the largest non-profit legal services organization in the District of Columbia and the only such organization devoted to a full spectrum of children's legal services. Every year, CLC represents more than 1,200 low-income children and families, including 500 children in foster care, dozens of children at risk of entering foster care, and several hundred foster parents and relatives of children in foster care.

CFSA's new director, Brenda Donald, has returned to the agency with an ambitious and much-needed reform agenda. In her first 90 days at the helm of CFSA, she has impressed the community immensely with her energy, insight, and quick action. I understand that this budget represents for her a first effort at bringing the agency's finances in line with her plan for reform. While I would be remiss if I did not raise the several concerns I have about the budget, I have every reason to believe that in the coming year Acting Director Donald will address these concerns. I encourage the Committee to afford her the flexibility to complete her assessment of the agency's strengths and needs before making any significant changes to the agency's budget.

As CFSA recognizes in its latest strategy plan, a successful child welfare agency is one that 'narrows the front door' to allow more children to safely stay home with their families and helps those children who must enter care exit quickly to reunification, adoption, or guardianship.² As a result, one sign of a child welfare agency's improvement may be a decline in the number of children it serves. This year's proposed CFSA budget, with a 3.1% overall funding reduction, rests on the assumption that in the coming year CFSA will keep more children safely at home and accelerate exits to adoption and guardianship. As I testified at the recent oversight hearing, we have seen small but meaningful progress toward these goals in the past year, including the implementation of the new differential response model, and we hope and expect to see more progress in the coming year. In my analysis, the proposed Fiscal Year 2013 CFSA budget largely provides the resources necessary

for the agency to take measured steps toward the ambitious reforms that Acting Director Donald has set out. I am, however, concerned that cuts to prevention services, both within CFSA and within DHS, may undermine CFSA's ability to maintain more children safely with their families.

Prevention

Continuing to reduce the number of children who need foster care care will only be possible if the District invests substantially in the key programs that keep children safely at home. These investments need to be made both within CFSA itself and within the District's other child-serving agencies. As Acting Director Donald eloquently stated at her recent confirmation hearing, the child welfare system goes beyond CFSA to encompass the constellation of agencies that support children and families. This year's budget reflects continued investment in several critical prevention programs: the budget maintains the current level of funding for Rapid Housing³ and the Grandparent Caregiver Program⁴ and I understand from Director Donald that – although it isn't broken out as a separate budget line item – the agency plans to maintain and possibly expand the Differential Response program in the coming year.⁵ These three programs make it possible for hundreds of children every year to remain safely with their families rather than entering foster care. In another fiscal climate, I would recommend that these programs be expanded to serve more children, but given our current circumstances, I understand the decision to maintain their funding levels.

Despite this positive news, I am concerned that the proposed budget for CFSA cuts prevention services by \$1.2 million at the same time that the proposed budget for DHS substantially reduces funding for homeless services and TANF.⁶ Although this hearing is focused on the CFSA budget, I raise concerns about the budget more broadly today because unless these cuts to safety net programs are reversed, more children will enter foster care.⁷ This will have painful financial consequences, making it impossible for CFSA to save the millions that it expects to save in foster

care costs, but more importantly it will have devastating human consequences as more children experience abuse and neglect. I urge this Committee to restore the funding for homeless services and TANF.

I also recommend that the Committee request additional details from CFSA regarding the cut to prevention services to make sure that necessary programs are not eliminated. Acting Director Donald has explained that the cut will not result in fewer children being served because the funds had gone unused in past years, but given the tremendous need for prevention services it seems likely that any underutilization was the result of a lack of referral or outreach rather than a lack of demand.

Mental health services

Although there have been some improvements in the past year, the quality and accessibility of mental health services for foster children remains limited. This impacts children's wellbeing in myriad ways: if children do not receive the mental health services they need, truancy and juvenile crime will go up. More children will bounce from one foster home to another and will end up in residential treatment or congregate care. And fewer children will be able to leave foster care to permanent families – at great long-term costs to children's development and great immediate financial cost to CFSA.

Last year, this Committee restored \$500,000 of a proposed \$2.5 million cut to specialized mental health services for children in foster care. Acting Director Donald stated at CFSA's budget briefing that the current funding level for mental health services would be maintained in the coming year. While it is certainly the right decision not to cut this funding further, I am concerned that evidence-based mental health services may still be funded at a level significantly less than they were in FY 2011. I understand that some of the current evidence-based services are not being fully utilized, but I am confident that this reflects a lack of outreach rather than a lack of need for such services. CFSA's oversight responses showed that the number of referrals for Functional Family

Therapy, one of the evidence-based services, actually outpaced the number of slots available.⁸ Those responses also indicated that the city does not yet have any capacity to provide three of the evidence-based practices that foster children need: Child-Parent Psychotherapy for Family Violence, Trauma-Focused Cognitive Behavioral Therapy, and Multisystemic Therapy for Problem Sexual Behavior.⁹ I understand that it may not be possible to increase funding for mental health services this fiscal year, but I urge CFSA to ensure that social workers refer all appropriate children to these services and to work with DMH to make sure that providers are trained to provide all of the services that the 2007 Children's Mental Health Needs Assessment identified as necessary as well as any other services that have been identified as necessary in the intervening years.¹⁰

Kinship placements

Substantial research shows that children in foster care have the best outcomes when they are placed with kinship caregivers. In DC, kinship foster placements are three times as stable as non-kinship foster homes and four times as stable as group homes.¹¹ They are also more likely to lead to positive permanency outcomes (reunification, adoption, or guardianship) than any other foster care placement.¹² For these reasons, we strongly support Director Donald's focus on increasing the number of children placed with kin. That said, we are concerned about the cost savings that CFSA anticipates in this fiscal year from moving children into kinship placements. While we do expect kinship placements to lead to long-term cost savings as children exit foster care more quickly, we are concerned that CFSA may expect cost savings this fiscal year from placing children in kinship foster homes rather than therapeutic foster homes.¹³ It may well be appropriate for many children to be placed in kinship foster homes rather than therapeutic foster homes, but many of those children will still require continuing therapeutic support, which must be accounted for in the budget.

Education

Whether foster youth are able to graduate from high school and enter vocational school or college goes far in determining whether they grow up into self-supporting adults. CFSA has two education initiatives that need sufficient funding. One is a pilot data-sharing program with the Office of the State Superintendent of Education to allow the two agencies to track foster children's educational outcomes, including how often they change schools, whether they advance from grade to grade, and how they score on standardized tests.¹⁴ The other is the implementation of Fostering Connections' requirement that child welfare agencies transport children back to their school of origin when their placement changes. Being forced to change schools repeatedly sets children back academically and often makes them less invested in school. Fostering Connections allows states to claim IV-E funds for a portion of their school stability transportation costs.¹⁵ We understand that in FY 2011 CFSA claimed \$50,000 and that the agency anticipates claiming \$100,000 in FY 2012.¹⁶ We encourage the Committee to inquire into the amount of funding that CFSA expects to claim in FY 2013 and the amount of local funds that CFSA has budgeted for the local funds portion of the transportation costs.

Older youth

As I testified at the recent oversight hearing, CFSA is still far from meeting the needs of the older youth in its care. CFSA's latest numbers show that only 44 youth completed a vocational program from an accredited institution in the last year, only 77 are currently employed, and 103 youth in care are teen mothers.¹⁷ CFSA's proposed budget includes an increase of \$348,000 for Teen Services that will go to funding housing for older youth aging out of care.¹⁸ This is a wise use of funds that I expect will help many older youth make a strong start in adulthood, as stable housing will help them attend school regularly or hold a job. I do encourage CFSA to devote attention as well to improving the quality of the case management and job training services it provides to teens

and older youth. Doing so will have the added benefit of allowing CFSA to claim more federal revenue in foster care maintenance payments for youth between 18 and 21, as federal law limits foster care payments for those youth to only those who are continuing their education or employed. Currently, CFSA cannot claim federal funds for many youth between 18 and 21 because they do not meet those requirements.¹⁹

Federal revenue

CFSA has made some improvements in claiming federal revenue. Although the number of children in foster care has declined, the amount of federal revenue that CFSA claims has remained fairly constant, indicating improved claiming practices.²⁰ We are pleased to see that in FY 2013 CFSA will be able to claim federal funds for candidates for foster care (i.e., children at risk of entering foster care). The State Plan Amendment necessary to allow claiming was approved in November 2011.²¹ CFSA estimated the federal revenue associated with these foster care candidates will be \$750,00 for FY 2012.²² CFSA also had a State Plan Amendment approved that allows the agency to claim federal revenue for youth between 18 and 21 who are in foster care and the agency indicated that in FY 2012 it expected to claim approximately \$3.6 million in federal revenue for those youth.²³ It is very positive that CFSA has had these State Plan Amendments approved since the FY 2012 budget process and is claiming the additional federal revenue.

The agency has been working to have a State Plan Amendment for Targeted Case Management approved for several years but it has not yet been approved. I understand that the Department of Health Care Finance recently submitted another version of the State Plan Amendment and I hope that it will be approved soon, as CFSA has projected that it could provide the agency with over \$1 million in Medicaid revenue this year, enough to offset the vast majority of the cuts to prevention services in this year's budget.²⁴

Conclusion

Thank you again for the opportunity to testify today. I look forward to your questions.

¹ Children’s Law Center works to give every child in the District of Columbia a safe home, meaningful education and healthy life. As the largest nonprofit legal services provider in the District, our 80-person staff partners with hundreds of pro bono attorneys to serve 1,200 at-risk children each year. Applying the knowledge gained from this direct representation, we advocate for changes in the city’s laws, policies and programs. For more information, visit www.childrenslawcenter.org.

² *LaShawn A. v. Gray*, Case 1-89-cv-0175-TFH, Implementation and Exit Plan Section IV: 2012 Strategy Plan, Filed March 27, 2012.

³ “FY 2013 Budget: Child and Family Services Agency Mayor’s Budget Request,” presentation by Brenda Donald on March 29, 2012, slide 15.

⁴ CFSA FY 2013 Budget, E-27, line item 3072.

⁵ I do caution, as I have in previous testimony, that the Families Together Act authorizing differential response was passed subject to appropriations, which means that it will only legally take effect “upon the inclusion of its fiscal effect in an approved budget and financial plan. Families Together Amendment Act of 2010, D.C. Law 18-228, § 3. Until the law takes effect, CFSA is legally barred from implementing differential response – because existing law requires CFSA to investigate each and every report of suspected child abuse and neglect. D.C. Code § 4-1301.04(a). CFSA therefore needs to appropriate funds specifically for differential response.

⁶ CFSA FY 2013 Budget, E-27, line item 3010.

⁷ Every year in DC, many children enter foster care because of inadequate housing . Government of the District of Columbia, Child and Family Services Agency, Implementing the Adoption and Safe Families Amendment Act of 2000 in the District of Columbia (2009 Annual Report), 31. There is also a link between reduction in welfare benefits and an increase in child maltreatment as measured by contact with child protective services, substantiated cases of physical abuse and neglect and by numbers of children in foster care. The largest and most comprehensive study, which reviews data from all states from 1990-1998: Christina Paxson & Jane Waldfogel, *Welfare Reforms, Family Resources, and Child Maltreatment*, Journal of Policy Analysis and Management, Vol. 22, No. 1 (2003). Two other studies (of Michigan and Illinois) found a link between family sanctions and increased contact with child protective services or the increased odds of having a child maltreatment allegation. Although one study (Milwaukee) found no link between family sanctions and child welfare involvement. West Coast Poverty Center, *Review of Research on TANF Sanctions, Report to Washington State WorkFirst SubCabinet*, 37 (2006).

⁸ There is capacity to provide Functional Family Therapy to 40 families, but 105 were referred in FY 2010 and 63 were referred in FY 2011. CFSA Oversight Responses, AttachmentQ31_ Mental Health Specialized Services Matrix-Jan 26 2012update.

⁹ CFSA Oversight Responses, AttachmentQ31_ Mental Health Specialized Services Matrix-Jan 26 2012update.

¹⁰ “A Mental Health Needs Assessment of Children in Foster Care,” CFSA and DMH, Sept. 2007.

¹¹ In FY 2010, the ratio of placement disruptions to placements was .21 to 1 for kinship placements, .60 to 1 for non-kinship foster homes, and .81 to 1 for group homes. Government of the District of Columbia, Child and Family Services Agency, Fiscal Year 2010 Annual Report at 29 (2011). In FY 2009, the ratio of placement disruptions to placements was 0.17 to 1 for kinship placements and 0.57 to 1 for nonkinship foster care. Government of the District of Columbia, Child and Family Services Agency, Fiscal Year 2009 Annual Report at 37 (2010), <http://cfsa.dc.gov/DC/CFSA/About+CFSA/Who+We+Are/Publications/Annual+Report+2009>. In FY 2008, the ratio of placement disruptions to placements was 0.64 to 1 for non-kinship foster care and 0.17 to 1 for kinship care. Government of the District of Columbia, Child and Family Services Agency, Fiscal Year 2008 Annual Report, at 34 (2009), <http://cfsa.dc.gov/DC/CFSA/About+CFSA/Who+We+Are/Publications/Annual+Report+2008>. In FY 2007, 1919 children lived in non-kinship foster care and had 1227 placement disruptions – a ratio of 0.64 to 1 – while 662 children lived in kinship care and had 101 disruptions – a ratio of 0.15 to 1. Government of the District of Columbia, Child and Family Services Agency, Fiscal Year 2007 Annual Report, at 25 (2008), <http://cfsa.dc.gov/DC/CFSA/About+CFSA/Who+We+Are/Publications/Annual+Report+2007>.

¹² Mary Eschelbach Hansen & Josh Gupta-Kagan, Extending and Expanding Adoption and Guardianship Subsidies for Children and Youth in the District of Columbia Foster Care System: Fiscal Impact Analysis at 9, Table 1 (2009), <http://academic2.american.edu/~mhansen/fiscalimpact.pdf>.

¹³ CFSA FY 2013 budget E-30.

¹⁴ Office of the State Superintendent of Foster Care (OSSE) FY 2012 Oversight Responses, Q29(c).

¹⁵ 42 U.S.C. § 675.

¹⁶ CFSA oversight responses, p. 6.

¹⁷ CFSA FY 2012 Performance Oversight Responses, Q53(c), Q53(a), and Q58.

¹⁸ CFSA FY 2013 Budget, E-26.

¹⁹ Oversight answers show IV-E penetration rate for 18-20 year olds is just 18.72%. CFSA oversight responses, p 7.

²⁰ “FY 2013 Budget: Child and Family Services Agency Mayor’s Budget Request,” presentation by Brenda Donald on March 29, 2012, slide 16.

²¹ “FY 2013 Budget: Child and Family Services Agency Mayor’s Budget Request,” presentation by Brenda Donald on March 29, 2012, slide 15.

²² CFSA FY 2012 Performance Oversight Responses, Q21(a).

²³ CFSA FY 2012 Performance Oversight Responses, Q21(c).

²⁴ LaShawn A. v. Gray, Case 1-89-cv-0175-TFH, Implementation and Exit Plan Section IV: 2012 Strategy Plan, Filed March 27, 2012, p. 10. CFSA FY 2013 Budget, E-29.